



The Voice of Small Business

MICHIGAN

To: Honorable Members of the Michigan Senate

From: Amanda Fisher, Assistant State Director

Date: April 15, 2015

RE: SBs 248 and 249 – No Fault Auto Reform

We are writing to express our support for SBs 248 and 249 that would make much needed forms to the no-fault auto insurance system.

Right now, costs for auto insurance in Michigan are much higher than the rest of the country. A large part of that is due to the high cost of personal injury protection (PIP) which covers any medically related expenses when involved in an auto accident.

This is a cost that affects every small business owner. Most work-related injuries are covered under workers compensation, but small business owners pay a per-vehicle premium that is inflated because of the high cost of PIP.

These bills would not only bring medical reimbursement costs in line with that of workers comp reimbursements, it would also beef up fraud protection so that only those who have true medical needs are able to draw from the system.

It would covert the MCAA to the MCCC, which would be a public body, and therefore, would be subject to the Open Meetings Act as well as FOIA. This would bring the transparency needed into order to assess the solvency of the system.

Finally, the bills would cap fees for attendance care given by family members.

NFIB feels that SBs 248 and 249 strike a balance between continued care for those in need of catastrophic care with the reforms that will lower costs and enable people to afford the insurance necessary to protect them. Because of these reasons, we are asking you to vote yes on these bills.

This will be a key vote for NFIB in this session.

Thank you for your support of Michigan small business.

My name is Erica Coulston- because of the short notice and early morning start of this hearing I was late in arriving. In order for me to attend and even arrive late I had to wake up by 6am, arrange childcare for my son and arrange for my day caregiver to arrive an hour early. For the last four years I have attended all committee hearings and proceedings regarding auto no fault- if you were able to see me many of you would know who I am. But that is not the case and I, like many other catastrophically injured individuals in Michigan, feel that this is a deliberate attempt to limit the number of us that could be physically present. How many individuals are there that could not be here this morning? I hope each of you takes a few minutes to think about that and what that must say about the intent of this process and leadership.

In the early morning hours of October 7, 2001 I was in a terrible single car accident with my brother. I was instantly paralyzed- unable to move my arms or any part of my body from the chest down. At 23, in the blink of an eye I became a quadriplegic due to a spinal cord injury at C6/7 and my life will never be the same.

The most obvious deficiencies are the physical paralysis of my legs, arms, hands and trunk muscles. The spinal cord controls the ability to regulate body temperature- I can no longer sweat like I used to so I often overheat in the summer and shiver most of the winter. My body's ability to regulate blood pressure is also affected. I have no bladder or bowel control.

I require assistance with bladder and bowel care, showering, dressing, and preparing meals, amongst other basic needs.

Because of repeated catheterization I am prone to UTI's and kidney stones.

My bone density has diminished due to lack of constant weight bearing and lack of muscle- putting me at greater risk for fracture.

I have chronic neuropathic pain- something that 85% of individuals with chronic spinal cord injuries experience. Imagine a constant burning, tingling feeling to most of your body.

I have developed scoliosis from sitting in a wheelchair and muscle weakness on my right side; this requires therapy and daily strengthening.

The list goes on in terms of secondary medical issues that can and often do arise when living with a spinal cord injury.

Thanks to the extended rehabilitation I have and still do receive, I have regained most of the function in my arms allowing me to propel a manual wheelchair, independently relieve pressure from sitting all day on a cushion and am mostly independent in transfers out of my chair. I have regained some abdominal and back muscles helping me to stay seated upright with better posture and improved balance. My hands and fingers have begun to work enough that I can feed myself, write and independently brush my teeth, wash my face and apply make up although not enough grasp for dressing or basic hygiene needs. Even my legs have begun to come alive with ongoing therapy although I still require assistance to stand and take steps. My blood pressure is more normalized; my ability to regulate body temperature has improved. My daily independence has increased.

In just under 14 years I have returned to being a taxpayer, started a small business, won Oakland County's Elite 40 Under 40 and become a mother. My future is bright because of the benefits I receive from our ANF system- I'm not suggesting every injured individual will end up like me but I know that I would not have if it weren't for my ANF benefits

I have friends that are not fortunate enough to have auto no fault insurance coverage- they often suffer from repeated pressure sores, burn, cut or hurt themselves because they lack adequate attendant care coverage and are left alone so family members can work. They use broken wheelchairs, are confined to bed and their house or a nursing home, reusing catheters even sleeping in their wheelchairs because they've been left home alone so their loved ones can make a living. At best, many of these injured individuals are surviving- thriving is out of the question.

In the last fourteen years I have seen the difference in the quality of care provided under Michigan's no fault system. This bill has so many question marks in it and with such little time for analysis, the impact of its provisions has not yet been studied.

Initial review tells us that the rate reimbursement negotiations section is heavily weighted to benefit insurance companies, not providers or survivors. As it is currently, reimbursement from auto insurance companies is costly, time consuming and often ends up in litigation. This bill only increases those factors.

The newly created Fraud Authority does not do enough to investigate and pursue claims of fraud by insurance companies. There are many of us that have to deal with auto insurance companies that can attest to the tactics used to deny, delay and discourage benefits.

The family provided attendant care provisions again attempt to address complaints of the insurance companies without fully understanding the impact on survivors. At Rep Leonard's request negotiations had been going on to reach a compromise that would best suit both survivors and insurance companies but none of those elements are included in this legislation.

The newly created MC3 completely changes the way claims are currently adjusted, the way in which survivors or their families will have to interact with it and has no protection against insolvency therefore putting our benefits at risk.

Nowhere in this bill is there any provision for mandatory rate reduction or cost savings to consumers. In fact, the insurance industry has gone on record as stating that there are no premium reductions guaranteed as a result of this legislation. Which begs the question- what are we doing here? This system and the people that depend on it for survival deserve a balanced approach that has been debated and

discussed to fully understand the impacts that it will have and to ensure that rate relief is guaranteed.

Thank you for your time-
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